

Board of Directors Meeting, 27 January 2010 Extract of approved minutes

Present

Non-Executive Directors	Prof. Sir Christopher Edwards	CE	<i>Chairman</i>
	Andrew Havery	AH	
	Richard Kitney	RK	
	Charles Wilson	CW	
Executive Directors	Heather Lawrence	HL	<i>Chief Executive</i>
	Lorraine Bewes	LB	<i>Director of Finance</i>
	Mark Gammage	MG	<i>Interim Deputy Chief Executive/HR Director</i>
	Mike Anderson	MA	<i>Medical Director</i>
	Andrew MacCallum	AMC	<i>Director of Nursing</i>
In attendance	Catherine Mooney	CM	<i>Director of Governance and Corporate Affairs</i>
	Vida Djelic	VD	<i>Interim FT Secretary</i>

The Chairman was present during the discussion of the following items: 3.1, 3.2 & 3.3. Charlie Wilson, Vice-Chairman chaired the rest of the Board meeting. CW offered the Board's congratulations on HL's OBE.

1 GENERAL BUSINESS

1.1 Apologies for Absence CW

Apologies were received from Colin Glass and Karin Norman.

HL informed the Board that Amanda Pritchard, Deputy Chief Executive, delivered a baby girl on 22 December 2009 and they are both doing well.

HL introduced Mark Gammage, in his role as Interim Deputy Chief Executive and HR Director while Amanda Pritchard is on maternity leave, and welcomed him to his first Board meeting.

1.2 Declaration of Interests CW

None were tendered.

1.3 Minutes of the Meeting of the Board of Directors held on 26 November 2009 CW

These were approved as a true and accurate record of the previous meeting with the following change:

- item 3.7 p.11, line 9 should read six standards instead of four standards.

Vida to amend minutes.

VD

1.4 Minutes of the Meeting of the Board of Directors held on 17 December 2009

CW

These were approved as a true and accurate record of the previous meeting.

1.5 Matters Arising November and December 2009

CW

1.7/Nov/09 Chief Executive's Report

LB said she would provide clarification on UCC related costs further to KN's request and will circulate this before March Board meeting.

LB

3.1/Dec/09 Safeguarding Children

VD circulated a revised matters arising table as the previously distributed one did not include the matters arising under section 3.1 safeguarding children. The matters arising for both meetings were discussed together.

CM said that Hannah Coffey Divisional Director of Operations for Medicine and Surgical Services had confirmed that all actions from the internal audit had been implemented with the exception of changing the contract which could not be done until the contract is due for renewal, which is June 2010.

HC had confirmed that a dip sample of all staff had been undertaken. In fact all employees for all the external contractors had been checked. A dip sample approach had also been implemented for new starters with ISS checking weekly and other contracts monthly.

Point 3 & 4 were covered in the paper under agenda item 3.3.

CM said that the Staff Bank Manager had confirmed that the Trust has received written confirmation about all agencies providing level 1 training. Two agencies did not but they provide administrative and clerical rather than nursing staff. Most undertook on-line training and all were now required to give their staff a leaflet. HL suggested that we checked what was in their on line training.

Other matters arising were noted to be completed or on the agenda.

1.6 Chairman's Report (oral)

CW

There was no report.

1.7 Council of Governors Report

CW

CM said that the report received with the Board papers was self-explanatory. LB highlighted that there was no membership section. CM

said this was an oversight and would be included in future reports.

1.8 Chief Executive's Report

HL

1. Staff News

HL informed the Board of two deaths, that of Sharon Doyle, Surgical Matron and Lady Caroline Rhys Williams, the Chair of the Healthcare Charity. Nick Jordan is the acting chair of the charity and she will liaise with him over a memorial service in the hospital. A celebration will also be organised for Sharon.

2. North West London Strategy

HL updated the Board on discussions with West Middlesex. She emphasised that we had made it clear that if the acquisition happened the Trust would not take on the deficit. Further discussions will proceed confidentially under the Memorandum of Understanding which we have now received.

3. Organisational Restructure

HL informed the Board that following the management restructuring there are three clinical divisions, each headed by a Divisional Director and a Divisional Medical Director. She informed the Board of the successful candidates and outstanding posts. If we need to advertise for a doctor it could take six months and we would need to have an interim post holder.

AH asked whether this restructuring will result in a net increase in head count. HL said that this would be the case in the short term but the resources were available. In the long term the head count will decrease and there would be an increase in medical costs not management. She confirmed that the divisional leads were working now on developing their divisional boards and any changes to job descriptions.

4. Care Quality Commission Registration

This item will be presented later in the meeting.

5. International Aids Vaccine Initiative (IAVI)

HL said that there was no definitive decision yet in IAVI taking over the space currently occupied by microbiology.

6. HIEC

HL said that the NWL submission to become a HIEC had been successful. C&W led the bid on behalf of the Sector. Amit Khutti took a leading role in the submission and HL will write to him with the Board's congratulations. She said that the HIEC will eventually have a headquarters but this has not been decided yet.

7. Christmas and Snow

HL said that during Christmas and despite the snow the Trust continued to meet the 4hrs target for 98% of patients to be treated in the A&E. MA noted that we are the only Trust in NWL who is meeting the A&E target currently.

2 PERFORMANCE

2.1 Finance Report – December 2009

LB

LB reported the financial position for the Trust for the nine months to 31st December 2009. She emphasised that the Trust needs a robust system for non-pay accruals and there is continuing underachievement against the procurement target.

LB said that on a positive note the forecast EBITDA shortfall has improved to a projected surplus of £6.9m against £6.4m planned surplus.

HL said that she expected some of the pay underspend was fortuitous as staff were less able to get in, in the bad weather and this would affect agency pay.

HL noted the figures of £13m for contracted nurses and £11m for agency and bank and said that we had not got the management effort right yet. She had asked for detailed recruitment plans in the key areas.

LB noted that the cash flow position had improved.

RK said that an error rate of 1% was very good.

2.2 Performance Report – December 2009

LB

LB reported to the Board that there was a discrepancy in the Q2 report which impacted on the total number of MRSA cases to date being 9 instead of 8. She explained that one case in Q2 report was missing. At this level we are unlikely to achieve the stretch target A of 10 cases a year. We can, however, achieve the stretch target B £150,000 for *Clostridium Difficile*. LB added that our CQC tolerance is 19 for MRSA cases.

LB assured the Board that this does not have an impact on the Monitor declaration and that all Monitor targets in Q3 are being met.

LB highlighted the key areas of concern e.g. inpatients waiting longer than 26 weeks, patient cancellations for non-clinical reasons which are not rebooked within 28 days and delivery of the 18 weeks target.

LB highlighted that next year we will be assessed against a new target for access to healthcare for people with learning difficulties. She added that another key area is timeliness of discharge summaries where the target will move from 100% within 48 hours of discharge to 100% within 24 hours. If the target is not achieved we will incur penalties.

3 ITEMS FOR DECISION/APPROVAL

3.1 Capital Financing

LB

LB presented the paper on capital financing. She recapped that the Foundation Trust Financing Facility (FTFF) had agreed loan agreements as approved by the Board for a loan of £31m for Netherton Grove and £12m for purchased accommodation near the Hospital and refurbishment. LB said that the Board was being asked to approve early redemption of £5m of the existing FTFF loan in the current financial year from surplus funds that have been on recent commercial deposit

with Barclays. FTFF have advised us that no penalty will be incurred.

LB said that the Trust had sought to maximise the loan options within the allowable Prudential Borrowing Limit (PBL) and had sought to refinance all of the existing loan. However, this was rejected by the Treasury sighting 'Managing Public Money' which does not allow for refinancing of loans solely to afford a more economic rate as it may impact adversely on other public bodies.

This meant that the level of loans needed to reduce by £5m to stay within the PBL and these were proposed as two loans for Netherton Grove (£28m) and accommodation near the Hospital (£10m) and to take forward the repayment of the existing loan separately.

LB reassured the Board that the terms of the new loan are substantially the same. She said that there was one new clause which had been queried with FTFF, which is 15.4.9 asking the Trust to advise of any changes in the status of the Borrower after the date of this Agreement. The Trust sought a legal opinion and the opinion was highlighted in the agreements circulated to the Board but was not regarded as contentious. All comments received were enclosed in a paper that was tabled at the Board meeting.

AH asked if there was a reason for not taking out a commercial loan on the remaining £4.6m. LB responded that there was no commercial market for this.

HL emphasised that the acquisition of Doughty House or alternative collocated building was aspirational at this stage. CE asked that if we had the loan approved, could we change the purpose e.g. for a polysystem.

LB said she could not guarantee that the loan could be rolled over for other purposes but we may be able to argue this once we have the loan. HL emphasised that she could not advise the Board that a loan for Doughty House was the right thing to do at this stage.

AH asked if we could be vague about the requirements for the loan to give us flexibility. LB said she thought it was quite vague at the moment as it does not say the purpose of the loan is specifically for Doughty House and the FTFF and DH understand this is about getting a building near to the Hospital.

The Board confirmed its support for proceeding with the loan set up and repayment as quickly as possible.

It was agreed that the following resolutions were passed in relation to a Single Currency Term Facility Agreement for Netherton Grove loan of £28,000,000 and a Single Currency Term Facility Agreement for Doughty House loan of £10,000,000.

- 1. approving the terms of, and the transactions contemplated by, the draft Facility Agreements (the "Finance Documents") between the Trust and the Secretary of State for Health in the forms circulated to the Board (or with**

such amendments as may be agreed between the Secretary of State and the Trust's Chief Executive and Director of Finance) and resolving that the Trust execute the Finance Documents to which it is a party;

2. authorising Heather Lawrence, Chief Executive, and Lorraine Bewes, Director of Finance and Information, to execute the Finance Documents to which it is a party on its behalf; and
3. authorising Heather Lawrence, Chief Executive, and Lorraine Bewes, Director of Finance and Information, on its behalf, to sign and/or despatch all documents and notices (including, if relevant, any Utilisation Request and) to be signed and/or despatched by it under or in connection with the Finance Documents to which it is a party.

3.3 Safeguarding Children Declaration

AMC

AMC reminded the Board that at its meeting in December he was asked that before making the declaration to ensure that all staff who regularly work with children should have undertaken face-to-face Level 1 Safeguarding training.

AMC confirmed that 100% staff in maternity and paediatrics are up to date on the Level 1 training. He also added that 70% of all staff are up to date on the Level 1 training.

HL was interested to know how many people are included in the group which has training which is rated as 100%. AMC responded that the figure is between 300 – 400 staff.

AH noted that Board members should also read and sign the Safeguarding Leaflet. AMC handed out the leaflet later in the meeting which was signed by the non-executive directors present.

AMC to send the Safeguarding Leaflet to other non – executive directors.

AMC

AH suggested that on the p.2, 3rd paragraph, second line which reads 'to ensure their care and ultimately their health is not affected in any way' be deleted.

AMC to amend the Declaration.

AMC

CW said that Trust has named professionals who lead on issues in relation to Safeguarding. The Board should be clear who they are.

AMC to provide a list of names to the Board.

AMC

HL asked about a job plan for the named doctor with responsibilities for safeguarding. AMC responded that it is written in the job specification and that he also has it in an e-mail. However, it could not be changed until the next job plan review.

It was agreed that a declaration should go on the website and it should mirror Monitor requirements.

3.4 Medicine Action Plan Update

AMC

AMC introduced the paper and explained that at the last meeting of the Board, HL had asked for an expanded plan and this paper provided that detail.

AMC noted the update in section 3. He added that it an overarching plan and that he will be working closely with the Medical Director and Divisional General Manager and Divisional Medical Director on the delivery of the plan.

CW asked about 3.7 point of the paper referring to a 12% vacancy rate to be achieved by February 2010, whereas point 3.8 noted that it is currently 23% and whether this was achievable? AMC agreed that this was ambitious and explained that they were in the process of interviewing for the vacant posts and until staff take up these posts they are not counted in. He added that he and HR were looking into the option of recruiting from overseas.

HL asked for clarification on who will be setting up a senior steering group to oversee the operational delivery of the plan. AMC responded that Jeremy Thompson will lead the Steering Group and that Richard Morgan will also be involved. CE indicated that he would be interested in being involved.

HL agreed with AMC that it was important to note the Board's concern and that this is about the whole medical journey and not just about nurses and not just about AMU.

CW asked how bad the long term sickness levels were. AMC said that there were a number of staff on long term sick e.g. on Nell Gwynn ward.

AH said that at the Audit Committee there was a case of somebody who was on sick leave for 5 years. MG confirmed that individuals would not be paid after one year. AMC said that Matrons have responsibility of monitoring this and to ensure that this is avoided

AMC reported on the stroke unit and the problems that had been identified. They were good on developments but not so good on the day to day tasks. A number of initiatives had been put in place e.g. an exercise accounting for use of their time and having experienced nurses working on the ward with the staff in a focused way including areas such as discharge. He noted that there were some exceptional nurses but they were working in a troubled ward.

AMC to set up medicine improvement steering group.

AMC

3.5 Business Plan 20/11 and Corporate Deliverables

LB

LB said that the paper circulated sets out the overall framework and timelines for business planning. She asked the Board for feedback in particular, on setting Corporate Objectives for 2010/11.

LB said that the Board could add an additional high-level objective and

she suggested that the best might be if we combine elements of the efficiency and sustainability into a single objective such as 'Ensuring Sustainability in all we do', which could cover deliverables around both financial and environmental sustainability.

The Board agreed the high level objectives for 2010/11 as proposed.

3.5.1 Operating Framework 2010/11

LB

LB said that this paper sets out the main elements of the Operating Framework for the NHS in England in 2010/11. It also considers the implications of the Operating Framework and the draft Payment by Results tariff for 2010/11 on the Trust's finances.

LB said that we have carried out an impact assessment and that as indicated on p.8 the impact of the tariff change is a £5.77m reduction. LB said we are now planning in the additional CQUIN income. She said that regarding non elective 30% Marginal Rate we would seek to ensure that the commissioners have robust demand management systems and there is risk share if these are not in place.

HL asked about the impact of cost pressures and loss of services. LB responded that the assessment is that a target cost improvement plan of 10% is required to cover these.

The Board noted the impact assessment of the Operating Framework.

3.5.2 North West London Commissioning Plans Update

HL

This item was covered as part of Chief Executive's report.

3.5.3 Review of Capital Proposals

LB

LB introduced the paper which concerned revised capital governance proposals. The Capital Programme Board's terms of reference have been updated to reflect these arrangements.

LB added that a further update will be available at the March Board meeting.

LB asked the Board to note Capital Budgets 2010/11 and 2011/12, table 4 on p.6.

HL asked about item 160 re Contingency 2. LB explained that the detailed bids had not yet been received.

The Board noted the revisions to the capital governance and RK asked if the project detail would be updated in the document. LB said she would include the detail at project level if the Board members wanted to review.

LB to update figures in the next Board paper.

LB

3.5.4 Update on EBITDA

LB

LB informed the Board about the need to factor in the Trust's required

levels of surplus in the future financial plans. She invited comments from the Board and said that it is important that the Board looks at the long term requirements and to confirm the agreement to a required level of Cost Improvement Plans (CIP) for 2010/11 at 10%.

LB explained the build up on the planned EBITDA and explained that we had looked at this in 3 ways: historic EBITDA, EBITDA to meet desired FRR and bottom-up projections of required EBITDA.

LB said that at this stage we have recommended that Directorates continue planning on an efficiency target of 10%. She said that we need to achieve at least 11% EBITDA in order to maintain an excellent Monitor financial risk rating. She pointed out that we have not achieved planned EBITDA.

LB said that on p.3 we looked at the cash flow and set out capital plan so that we keep strong cash flow and that we are prepared if decided to invest substantially in polysystems.

LB asked the Board if they agree with the proposal of 10% CIP in order to deliver an 11% EBITDA. Following discussion about the CIP delivering the Board confirmed that a 10% CIP should be set across the board which implied that there would need to be cross-subsidisation and an overall Trust target of 11%.

3.6 Patient Feedback

3.6.1 Outpatient Survey

AMC

AMC outlined the paper and the areas where we did better and worse compared with other Trusts.

AH asked why the results were compared with a 2004 survey and whether this meant the survey was only done every five years?

AMC to check on survey frequency.

AMC

AMC said that the target group differs between paediatrics and young people and A and E.

AMC said that the use of the PET was introduced in outpatients in November. He emphasised that this was linked to business plans and we would be judged and paid on the patient experience. He noted the work that was underway to address areas of concern highlighted in the survey, which was described in section 6.

MA described some of the factors contributing to the poor experience such as overbooking and subsequent delays to patients being seen and agreed that the whole experience is depressing. He highlighted that 77% of patients are not told the reason for the delay.

AMC said that there is an Outpatient Steering Group which has an administrative function. HL suggested that the terms of reference of the steering group be reviewed.

3.6.2 Patient Experience Tracker

AMC

AMC outlined the executive summary, clarifying that the PET started in November 2008 and phase 2 in November 2009.

He noted that the Trust is taking steps to improve the response rate for the PET and has a target of 80% although a 40% response rate has been agreed with Kensington and Chelsea PCT as a CQUIN with a value of £110,000.

CW noted the good results in figure 4.

AH asked how compatible these results were with other surveys. Are we likely to have a 30% satisfaction with Picker and a 70% with PET? **AMC confirmed that the PET shadows other surveys but will check.**

AMC

LB asked how we will establish trends. AMC said there is a weekly report which is aggregated. He noted that the Board will be interested in trends.

CM noted that there had been an A&E Survey and asked how this data compared with those results. **AMC said he will look into it.**

AMC

3.7 Assurance Framework and Review of Corporate Objectives Q3 Report **CM**

CM outlined the main sections of the report, in particular the highlights on page 2 which referenced the inclusion of internal audits as an assurance and where these had been undertaken or were planned.

3.8 Assurance Committee Report including Terms of Reference **CW**

CW confirmed that he had discussed this report with the Chairman and the Chairman was happy with the content and that the Assurance Committee provided adequate assurance to the Board.

3.9 Risk Report Q3 Report * **CM**

This item was taken as read.

3.10 Care Quality Commission Registration **CM**

CM tabled a paper which sets out the new requirements for registration with the Care Quality Commission and the process for assessing compliance and the outcome of the review. She explained that the short time scales imposed by the Care Quality Commission had necessitated a high level review and the tabling of the paper.

CM said that when assessing a trust's application the CQC will use a tool called a 'quality and risk profile' (QRP) which gathers all that is known about a provider in one place. The QRP contains data from external sources, such as staff survey, in-patient survey, etc. The QRP for the Trust was part of the tabled paper. She highlighted areas of amber and red and reported that these areas had been considered by the lead directors who had noted that the information was out of date

and confirmed that there was other data to support meeting the gaps in the QRP.

CM noted that the registration was web based and she was still waiting for some guidance from the CQC on any further information required as part of the registration.

The Board to support the declaration of compliance with all standards for all regulated activities.

3.11 Monitor In-Year Reporting & Monitor Q3 Report **LB**

LB said that the actual financial results for Q3 are the same in this report as in the internal Finance Report presented to the Board for month 9. The Trust has returned to a financial risk rating of 4 in Q3 in line with its planned financial risk rating. She reiterated that the fact that we missed 1 MRSA case which related to Q2 does not affect Monitor Q3 report.

HL said that the Relationship Team at Monitor has changed and that they have a new Relationship Manager who is due to meet CE and HL. The Trust is reporting a surplus of £1.51m for Q3. CW asked if 'an adverse variance of £0.51m' should read 'a positive variance of £0.51m'. **LB to correct.** **LB**

3.12 Information Security Action Plan **HL**

CM said that the Board was already aware of an SUI relating to a stolen data stick. She added that the second incident related to two stolen laptops, one of which was not encrypted despite a notification to the Board that all laptops were encrypted. She had added an extra column to make sure that assurances are in place.

RK said that this was a useful approach and asked about the induction programme for junior doctors and if there was a questionnaire to complete to test knowledge. CM said there was and that it had been recognised that the content of the induction was not as good as it could be and it was being revised. The escalation process needs to be reviewed to ensure positive action is taken for doctors who do not complete the induction to ensure follow up and completion.

AH said that at the Finance Committee there was discussion that data should be saved on servers rather than on the desktop.

MA said that the Director of IT, has been working on setting up the system so that data can only be saved on the server.

4 ITEMS FOR INFORMATION

4.1 Assurance Committee Minutes – 7 December 2009 **CW**

This item was taken as read.

4.2 Audit Committee Minutes **LB**

There was no meeting to report on.

4.3 Finance and Investment Committee Minutes – 19 November 2009 LB

This item was taken as read.

4.4 Finance and Investment Committee Minutes – 22 December 2009 LB

This item was taken as read.

4.5 Register of Interests Review CE/VD

CM asked the Board members to advise VD if the grid needs to be updated.

4.6 Register of Seals Q3 Report VD

This item was taken as read.

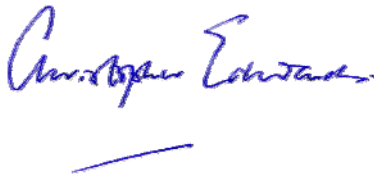
5 ANY OTHER BUSINESS

None.

6 DATE OF THE NEXT MEETING – Thursday, 25 March 2010

NB: These minutes are extracts from the full minutes and do not represent the full text of the minutes of the meeting. For information on the criteria for exclusion of information please contact the Foundation Trust Secretary.

Signed by



Prof. Sir Christopher Edwards
Chairman